GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1871
ANSWERED ON:29.11.2007
IMPACT OF LOW FARE AIRLINES
Jindal Shri Naveen

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government has observed an upsurge in the number of air passengers after the induction of low-fare airlines;

(b) if so, the details of increase in the passengers during the last two years;

(c) whether the revenues of Indian Airlines and Air India have been dented as a result thereof;

(d) if so, the details thereof; and

(e) the remedial steps taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) & (b): Yes, Sir. During the years 2005 and 2006 approximately 22.31 million and 32.67 million air passengers travelled on domestic routes respectively. Similarly, 35.37 million air passengers travelled on domestic routes in the year 2007(till October) .

(c) and (d): Revenue performance of an airline is dependant on several sectors including increased competition. It is not feasible to quantify the impact of any one factor on the revenue performance of Air India/Indian Airlines.

(e): The steps taken/proposed to be taken to strengthen the National Carriers are:

(i) Launching of low cost carrier `Air India Express`;

(ii) Merger of Air India and Indian Airlines;

(iii) Acquisition of 111 new aircraft;

(iv) Product/Service improvements;

(v) Dry/Wet leasing of aircraft to expand international footprint;

(vi) Formation of Strategic Business Units such as cargo, LCC, Ground Handling, MRO with each one of them being managed as revenue generating divisions; and

(vii) Joining a Strategic Alliance to give value added service to customers.